

**MORRIS JEFF
COMMUNITY SCHOOL, INC.
NEW ORLEANS, LA**

Annual Financial Statements

June 30, 2011

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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

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Independent Auditor's Report

To the Board of Directors
Morris Jeff Community School, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Morris Jeff Community School, Inc. (the School) as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morris Jeff Community School, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The schedules required by Louisiana State Law included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report On Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School taken as a whole. The accompanying supplemental information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



A Professional Accounting Corporation

December 23, 2011

MORRIS JEFF COMMUNITY SCHOOL, INC.
Statement of Financial Position
June 30, 2011

Assets	
Current Assets	
Unrestricted Cash and Cash Equivalents	\$ 10,847
Restricted Cash and Cash Equivalents	175,600
Tuition Receivable	5,814
Grant Receivable	186,690
Other Receivables	9,955
	<hr/>
Total Assets	\$ 388,906
	<hr/>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 39,450
Accrued Liabilities	57,363
	<hr/>
Total Liabilities	96,813
	<hr/>
Net Assets	
Unrestricted	116,493
Temporarily Restricted	175,600
	<hr/>
Total Net Assets	292,093
	<hr/>
Total Liabilities and Net Assets	\$ 388,906
	<hr/>

The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL, INC.
Statement of Activities
For the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenue, Grants and Other Support			
State Public School Funding	\$ 960,983	\$ -	\$ 960,983
Federal Grants	479,948	-	479,948
Private Grants	-	223,500	223,500
Other Income	147,174	-	147,174
State Grants	106,209	-	106,209
Donations	26,570	25,000	51,570
Event Income	39,529	-	39,529
Total Revenue, Grants and Other Support	1,760,413	248,500	2,008,913
Expenses			
Program Services			
Regular Education Programs	966,844	-	966,844
School Administration	177,003	-	177,003
Operation and Maintenance of Plant Services	117,846	-	117,846
Instructional Staff Services	104,207	-	104,207
Pupil Support Services	94,357	-	94,357
Food Service Operations	93,971	-	93,971
Student Transportation Services	88,214	-	88,214
Community Service Operations	8,423	-	8,423
Management and General			
Business Services	94,358	-	94,358
Enterprise Operations	64,698	-	64,698
General Administration	7,885	-	7,885
Central Services	1,312	-	1,312
Fundraising	6,109	-	6,109
Expiration of Restrictions	(82,900)	82,900	-
Total Expenses	1,742,327	82,900	1,825,227
Change in Net Assets	18,086	165,600	183,686
Net Assets, Beginning of Year	98,407	10,000	108,407
Net Assets, End of Year	\$ 116,493	\$ 175,600	\$ 292,093

The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL, INC.
Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows from Operating Activities	
Increase in Net Assets	\$ 183,686
Adjustments to Reconcile Increase in Net Assets to	
Net Cash Provided by Operating Activities	
Increase in Tuition Receivable	(5,814)
Increase in Grants Receivable	(139,926)
Increase in Other Receivables	(9,955)
Increase in Accounts Payable	37,695
Increase in Accrued Expenses	57,363
	<u>(60,637)</u>
Total Adjustments	<u>(60,637)</u>
Net Cash Provided by Operating Activities	<u>123,049</u>
Net Increase in Cash and Cash Equivalents	123,049
Cash and Cash Equivalents, Beginning of Year	<u>63,398</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 186,447</u></u>

The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Morris Jeff Community School, Inc. (the School) was created as a non-profit corporation under the laws of the State of Louisiana (the State) on February 13, 2009. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 5 charter school. On June 8, 2010, BESE approved the charter of the School. The charter was granted for an initial term of 3 years and will terminate on June 30, 2013, unless BESE grants the School a 2 year extension of the contract pursuant to Louisiana Revised Statutes 17:3992 and 3998.

The School serves eligible students in pre-kindergarten through second grade. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The School classifies as cash and cash equivalents, and all highly liquid debt instruments with a maturity of three months or less. Cash, which is held in interest bearing accounts, consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received specifying the use of the contribution.

MORRIS JEFF COMMUNITY SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. A U.S. Form 990, Return of Organization Exempt from Income Tax, must be filed annually. The School believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that require adjustment to the financial statements.

The School's federal Form 990 for 2009 (year of inception) is subject to examination by the IRS, generally for three years after it was filed.

Compensated Absences

The School allows employees 10 paid absences during the school year. At June 30, 2011, the School had obligations of \$14,502, of accumulated unpaid leave, which is reported within accrued liabilities in the accompanying financial statements.

Public Support and Revenue

The School receives its support primarily from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances for uncollectible contributions are estimated. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give for subsequent years are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. The School uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

MORRIS JEFF COMMUNITY SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Functional Classification of Expenses

Expenses are classified by functional classification and are matched with any donor-imposed restrictions for GAAP financial reporting purposes.

- a) *Program Service Expenses* - Direct and indirect costs related to providing education and other services consistent with the School's mission.

This category includes any expenses related to the instruction and well being of students (both regular population and special education):

STAFF	MATERIALS	STUDENT SERVICES
Teachers	Textbooks	Health Services
Paraprofessionals	Library Books	Food Services
Other Classroom Staff	Instructional Supplies	Facilities Services
Librarians	Instructional Equipment	Transportation Services
Professional Development	Testing Materials	Community Services
Contracted Instructional Services		Athletic Services
		Music/Arts Programs

- b) *Management and General Expenses* - These expenses include any activities that are related to the overall management and direction of the School, but are not identifiable to any specific program or fundraising activity. Examples include board related expenses and business management expenses, such as accounting/recordkeeping, payroll and legal. These expenses also include both devoted and partially allocated staff as well as contracting expenses with external management companies.
- c) *Fundraising Expenses* - Cover all activities related to bringing in revenues for the School, including state/federal grants used to conduct fundraising campaigns, conduct special fundraising events, and conduct other activities involved in the solicitation of contributions from outside sources.

Concentrations

The School received 48% of its revenues for the year ended June 30, 2011, from the Louisiana State Department of Education's Minimum Foundation Program, subject to its charter school contract with the State, and 24% of its funding from federal grants.

Note 2. Cash and Cash Equivalents

The School's cash and cash equivalents (book balance) at June 30, 2011, totaled \$186,447, which is stated at cost and approximates market. Of this amount, \$175,600 is restricted due to provisions of grants and donations for certain uses.

MORRIS JEFF COMMUNITY SCHOOL, INC.

Notes to Financial Statements

Note 3. Grants Receivable

As of June 30, 2011, grants receivable totaled \$186,690, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered to be fully collectible.

Note 4. Accrued Liabilities

As of June 30, 2011, the School has recorded accrued liabilities of \$57,363. Of this amount, \$35,301 is for accrued salaries representing two pay periods that ended prior to year end, but were not paid until after year end. The remaining \$22,062 is for employee benefits.

Note 5. Retirement Plan

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description

The TRSL provides retirement benefits as well as disability and survivor benefits. Five years of service credit are required to become vested for retirement benefits and for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publically available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate is 20.2% of annual eligible covered payroll for the year ended June 30, 2011. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2011, was \$148,434, which is equal to the required contribution. The School's first year to contribute to the plan was the year ended June 30, 2011.

MORRIS JEFF COMMUNITY SCHOOL, INC.

Notes to Financial Statements

Note 6. Leases

The School is obligated under a sublease agreement with the Recovery School District (RSD) for the campus located at 2239 Poydras Street, New Orleans, Louisiana. The sublease is classified as an operating lease and the term matured as of June 30, 2011.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2011:

Art and Spanish Teacher Salaries	\$ 160,000
Special Education Expenses	10,000
Playground Equipment	5,000
After School Program	<u>600</u>
Total	<u>\$ 175,600</u>

Note 8. Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2011:

Art and Spanish Teacher Salaries	\$ 60,000
Library Books	12,900
Librarian Salary	<u>10,000</u>
Total	<u>\$ 82,900</u>

Note 9. Line of Credit

The School has an operating line of credit with a bank which permits borrowing up to \$70,000. Interest is calculated on the outstanding principal balance at 7.75%. As of June 30, 2011, the School had no outstanding principal due under this agreement.

Note 10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 23, 2011, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Morris Jeff Community School, Inc.
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Morris Jeff Community School, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Morris Jeff Community School, Inc., and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings that relate to the accompanying schedules of supplemental information are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

Findings:

None

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Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers” (Schedule 4) to the combined total number of full time classroom teachers per this schedule, and to the School’s supporting payroll records, as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals and full time teachers by classification as of October 1st, and as reported on the schedule. We traced each of the teachers to the individual’s personnel file to determine if the individual’s education level was properly classified on the schedule.

Findings:

None

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the Schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.

Findings:

None

Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers (Schedule 4)

6. We obtained a list of Principals, Assistant Principals and Full Time Teachers by classification as of October 1st, and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

Findings:

Three full time teachers’ years of experience were incorrectly reported on the “Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers” schedule.

Corrective Action Plan:

The findings presented were minor clerical errors that were corrected in the following PEP submission. In the future, the School Principal will review the PEP reports before the submission deadline to ensure that all teachers are reported with the proper number of years of experience.

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status, as well as full time equivalent as reported on the schedule, and traced each to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full time equivalents reported on the schedule.

Findings:

One teacher's salary per the PEP report was incorrect.

Corrective Action Plan:

The findings presented were minor clerical errors that were corrected in the following PEP submission. In the future, the School Principal will review the PEP reports before the submission deadline to ensure that all teachers' salaries are reported correctly.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

Graduation Exit Exam (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

iLEAP Test Results (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Morris Jeff Community School, Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

December 23, 2011

MORRIS JEFF COMMUNITY SCHOOL, INC.
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2011

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's, Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for principals, assistant principals and full time teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

MORRIS JEFF COMMUNITY SCHOOL, INC.
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2011

Schedule 9 - iLEAP Test Results

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 in each category tested. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes three years of data.

**MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2011**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 379,439
Other Instructional Staff Salaries	30,702
Instructional Staff Employee Benefits	135,830
Purchased Professional and Technical Services	7,817
Instructional Materials and Supplies	9,425
Instructional Equipment	-

Total Teacher and Student Interaction Activities \$ 563,213

Other Instructional Activities 1,007

Pupil Support Services 93,946

Less: Equipment for Pupil Support Services -

Net Pupil Support Services 93,946

Instructional Staff Services 29,909

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 29,909

School Administration 136,889

Less: Equipment for School Administration -

Net School Administration 136,889

Total General Fund Instructional Expenditures \$ 824,964

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes	-
Other than School Taxes	-
Sales and Use Taxes	-

Total Local Taxation Revenue \$ -

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-

Total Local Earnings on Investment in Real Property \$ -

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Education Levels of Public School Staff
As of October 1, 2010

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	8	89%	2	100%				
Master's Degree					1	100%		
Master's Degree +30								
Specialist in Education	1	11%						
Ph. D. or Ed. D.								
Total	9	100%	2	100%	1	100%	0	0%

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2011

Schedule 3

Type	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Experience of Public Principals, Assistant Principals
and Full Time Classroom Teachers
As of October 1, 2010

Schedule 4

	0 - 1 Yr.	2 - 3 Yrs.	4 -10 Yrs.	11 - 14 Yrs.	15 -19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals				1				1
Classroom Teachers	2	5	4					11
Total	2	5	4	1	0	0	0	12

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Public School Staff Data
For the Year Ended June 30, 2011

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$47,612	\$47,612
Average Classroom Teachers' Salary Excluding Extra Compensation	\$47,612	\$47,612
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	10	10

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Class Size Characteristics
As of October 1, 2010

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	12%	3	88%	23				
Elementary Activity Classes	100%	1						

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2011

The School did not have grades 4 or 8 for the year ended June 30, 2011; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2011

Schedule 8

The School did not have grades 10 or 11 for the year ended June 30, 2011; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
iLEAP Test Results
For the Year Ended June 30, 2011

The School did not have grades 3, 5, 6, 7, or 9 for the year ended June 30, 2011; therefore, this schedule does not apply

See independent accountant's report on applying agreed-upon procedures.

SUPPLEMENTAL INFORMATION

MORRIS JEFF COMMUNITY SCHOOL, INC.
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2011

<u>Board Members</u>	<u>Compensation</u>
Aesha Rasheed, President	\$-0-
Belinda Cambre, J.D., Ph.D., Vice President	\$-0-
Melissa Jagers, CPA, Treasurer	\$-0-
Jolene Jeff	\$-0-
Adrienne Shulmann	\$-0-
Jennifer Weishaupt	\$-0-
Wanda Anderson-Guillaume	\$-0-

All Board Members can be contacted through the School at (504) 373-6285.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Morris Jeff Community School, Inc.
New Orleans, Louisiana

We have audited the financial statements of Morris Jeff Community School, Inc. (the School) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and the Louisiana Department of Education and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

December 23, 2011